

**REMARKS**

This amendment is responsive to the Office Action dated August 29, 2002. Applicant would initially like to thank the examiner for the helpful recommendations in amending the application.

In the application, Claims 1 - 11 are pending and each claim stands rejected pursuant to 35 U.S.C. §102 or §103. Claims 1 and 3 are rejected as being anticipated by Pierce, U.S. Patent No. 5,684,286, and the remaining claims are rejected as being obvious over Pierce in further consideration of several other cited references. Applicant has carefully studied the Office Action and the cited references, and respectfully requests reconsideration of the rejected claims as amended in view of the remarks presented below.

**Standard For Rejections Under 35 U.S.C. §102**

The Office Action rejected Claims 1 and 3 under 35 U.S.C. 102(b) as being anticipated by Pierce, U.S. Patent No. 5,684,286. The Federal Circuit has stated on multiple occasions that in order to reject a claim under section 102, there must be "identity of invention." *Glaverbel Societe Anonyme v. Northlake Mktg & Supply*, 45 F.3d 1550, 1554 (Fed. Cir. 1995). "Under 35 U.S.C. §102, anticipation requires that each and every element of the claimed invention be disclosed in the prior art." *Akzo N.V. v. US. Intern. Trade Comm'n*, 1 USPQ2d 1241, 1245 (Fed. Cir. 1986), *cert. denied*, 482 U.S. 909 (1987). Moreover, an anticipatory reference must be *enabling* and teach all aspects of the claimed invention. *Scripps Clinic & Research v. Genetech Inc.*, 18 U.S.P.Q.2d 1001, 1010

(Fed. Cir. 1991) The initial burden is on the Patent Office to show that identity of invention exists.

*In re Warner*, 154 U.S.P.Q. 173, 177 (C.C.P.A. 1967), *cert. denied*, 389 U.S. 1057 (1968).

### Claim 1

The text of Claim 1 is reproduced below for convenience.

1. A method to count tickets comprising:
  - providing a translucent ticket with an opaque pattern providing translucent portions;
  - providing a light source on a first side of the ticket;
  - providing a detector on a second side of the ticket;
  - providing relative motion between the ticket and the detector; and
  - detecting the pattern and translucent portions with the detector.

### The Rejection of Claim 1

The Office Action rejected Claim 1 as follows:

“Pierce discloses a reader for machine reading a symbol printed on a form 15, where the form 15 is at least partially translucent to incident radiation (col 2 lines 1 - 3), having an optical image detector 11 comprising a light source 21 and a light sensing array 23 spaced apart a sufficient distance for a form 15 to be passed between them (col 3 lines 39 - 41). Pierce also discloses that the reader provides relative motion between the form and the detector by having the sensor sample the signal as the form 15 is passed through the sensor and the light source (col 2 lines 24 - 29). The reader also detects the pattern and translucent portions (col 4 lines 17-22, lines 29-37)”

In order to reject Claim 1 for anticipation, it is the Patent Office's burden to show that the cited reference shows each and every feature of the claimed invention. Claim 1 is directed to “a method to count tickets”, yet the Pierce reference cited against the claim is completely silent with respect to the function of counting, and makes no mention of tickets. Rather, as shown in the

rejection above the Pierce patent is directed to a device for interpreting codes on a form, such as a money order. Patterns on a translucent form are converted to numbers for recording information on the form. The chip processes an analog signal representing the combined output of the light sensing array to interpret the information on the form. (Col 4 lines 1 - 12). The disclosure states that the spacing in between opaque and transparent members "must create a variable pattern of light and dark that carries any information within the width that falls on the light sensor." (Col 4 lines 64-66). The only reference to counting comes from the incrementation of the form number as each form is advanced to the printer (col 8 lines 20-26). There is nothing in the reference that teaches the counting method claimed in Claim 1, and the Office Action points to nothing that satisfies this missing feature of the claimed invention.

Included in Claim 1 is the feature of providing a translucent ticket with an opaque pattern. What the Office Action fails to appreciate is that tickets, such as arcade tickets, have historically been made of a heavier paper that retains a certain stiffness so as not to jam in machines. This heavier paper or cardboard is not translucent, and thus the present inventor's idea to use a ticket that is translucent has no foundation in the prior art. Conversely, machines used for negotiable instruments which are traditionally printed on lighter, translucent paper required no such innovation. Thus, the requirement of a translucent *ticket* should not be quickly dismissed as equivalent to the form described in the Pierce reference. Absent a showing of translucent tickets such as those proposed by the present inventor, the limitation of a ticket cannot be ignored by simply alleging that a money order and a ticket are interchangeable. Applicant respectfully submits that the failure of the

Pierce reference to teach a method for counting tickets precludes a rejection under 35 U.S.C. §102 because the cited reference lacks "identity of invention" with the claimed method.

### **The Rejection of Claim 3**

Claim 3 is directed to an apparatus for counting tickets. The Office Action rejected claim 3 under similar grounds to the rejection of Claim 1. The rejection of Claim 3 does not give any weight to the claim limitation "ticket", freely substituting the "form" disclosed in Pierce when discussing the limitations of Claim 3. However, Applicant has devised a machine that is particularly directed to the needs of the arcade ticket industry, and has applied a technology to this field that heretofore had been unknown. The Office Action's failure to recognize this advancement in the art, where no prior art teaching suggests this capability or suggests that tickets may be counted in this manner, demonstrates a fatal flaw in the anticipation rejection of Claim 3.

The Pierce device must interpret closely spaced opaque bars to distinguish patterns representative of various symbols such as numbers in a sequence. This reading function is apparently unreliable, as the reference suggests several redundancy features to ensure the correct reading, such as encoding additional symbols to verify the accuracy of the reader. Conversely, the present invention is a simpler, more elegant system for counting tickets that does not require such sophisticated redundancy measures. Because Claim 3 is directed to arcade tickets and the cited reference is silent as to the use of such techniques on tickets, Applicant submits that the cited reference does not anticipate Claim 3.

**Standard for Rejection under 35 U.S.C. §103**

To establish a *prima facie* case of obviousness, the Office Action must achieve three objectives: (1) The Office Action must demonstrate suggestion or motivation, either in the references themselves or in the prior art, to modify the reference as suggested by the Office Action or to combine the references as suggested by the Office Action; (2) The Office Action must establish that the proposed combination has a reasonable expectation of success; and (3) The Office Action must demonstrate that each claim limitation in each claim is taught or suggested in the cited references. *M.P.E.P. §706.02(j)*.

**Claim 2**

Claim 2 depends from Claim 1, and further includes the step of incrementing a running total of the tickets counted, a running total of verified tickets and a running total of non-verified tickets.

**The Rejection of Claim 2**

The Office Action rejected Claim 2 as follows:

“Pierce fails to teach that the reader increments a running total of the tickets counted, a running total of verified tickets and a running total of non-verified tickets. Sato discloses a machine 1 for printing bar codes on a label strip, which includes ticket strips, and the machine has a counter 33 for indicating the number of labels printed (col 3 lines 56 - 58). Therefore, it would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to modify and have a counter for total tickets, verified tickets, and non-verified tickets to the teachings of Pierce in order to quickly obtain the number tickets printed or sold at a certain location, such as a movie theater, to determine profit. (Office Action, page 4-5).

The Office Action concedes that Pierce fails to teach a counting function, and attempts to remedy the deficiency by combining the teachings of Pierce with that of Sato. Sato is directed to a printing machine, which can be used to print tickets, and includes a counter to determine the number of tickets printed. The counter is used to automatically stop the printing process when the predetermined number of tickers has been printed. (col. 12 lines 59 - 65). Of course, the counting on the printing side of the operation has no bearing on the counting of *collected* tickets. While it is important to know how many tickets have been printed, the present invention as recited in Claim 2 is directed to a method for counting tickets *received*, and how many tickets are valid as opposed to invalid tickets received. Sato provides no guidance or suggestion as to this step, and accordingly a *prima facie* case of obviousness has not been established by the rejection of Claim 2. Further, Sato does not teach, and the Office Action does not establish, any prior art reference for totaling verified and non-verified tickets collected as required of Claim 2. As such, the rejection of Claim 2 cannot stand.

While the Office Action concedes that Sato does not teach the limitation of totaling verified and non-verified tickets, it nevertheless concludes that it would have been obvious to do so "in order to quickly obtain the number of tickets printed or sold at a certain location, such as a movie theater, to determine profit." (Office Action, page 4 - 5). The given rationale underscores the fundamental misinterpretation of the rejection of Claims 1 and 2. The present invention is directed to a reader for determining the number of valid tickets redeemed as well as invalid tickets attempted to be redeemed. It is irrelevant for purposes of this invention how many tickets were printed, only how

many tickets are collected. There is no teaching or suggestion in either reference for combining the references as suggested by the Office Action, and the failure to establish a teaching or motivation in the prior art is determinative of the obviousness rejection.

As has been stated many times, virtually every invention is a composition of known elements. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 149 F.3d 1350 (Fed. Cir. 1998). In *Rouffet*, the court concluded that:

[A]n examiner may often find every element of a claimed invention in the prior art. If identification of each claimed element in the prior art were sufficient to negate patentability, very few patents would ever issue. Furthermore, rejecting patents solely by finding prior art corollaries for the claimed elements would permit an examiner to use the claimed invention as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention. Such an approach would be 'an illogical and inappropriate process by which to determine patentability.' *Id.* at 1357.

The court pointed to the absence of any teaching *in the cited references* for making the proposed modifications, and found that the board had reversibly erred in determining that the invention was rendered obvious because there was no identification of motivation to choose the selected references for combination. Without a teaching in the cited reference, the contention that the proposed modification would have been obvious because the modification would lead to beneficial results ignores the inventor's creative combination in a hindsight approach.

Accordingly, "obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggestion supporting the combination." *Ecolchem Inc. v. Southern California Edison Co.*, 227 F.3d 1361 (Fed. Cir. 2000). "The absence

of such a suggestion to combine is *dispositive* in an obviousness determination." *Gambro Lundia AB v. Vaxter Healthcare Corp.*, 110 F.3d 1573, 1579 (Fed. Cir. 1997).

The Federal Circuit has very recently cautioned the Patent Office that "the factual inquiry whether to combine references must be thorough and searching." *In re Lee*, 277 F.3d 1338 (Fed. Cir. 2002). "Particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed." *Id.* The Federal Circuit in *Lee* found that the examiner's *conclusory* statements did not adequately address the issue of motivation to combine, where the conclusion was based on "*subjective belief and unknown authority.*" *Id.* In the application at bar, the Office Action merely concludes without any support that the proposed combination would have been obvious because it would allow printed tickets to be counted quickly. However, if the requirement of motivation to combine could be satisfied by merely taking components as claimed from among various cited references, and then conjuring a hypothetical benefit from the proposed combination that does not have any support in the references themselves, then the requirement would be reduced to a mere formality. Fortunately, the Federal Circuit has stated that the rigorous application of the required teaching or motivation in the prior art is the best defense against the improper application of hindsight to reject a claim. The Office Action has not met its burden using a "thorough and searching inquiry" to establish this requirement of a *prima facie* case of obviousness, and accordingly the rejection is improper.



**Claim 6**

Claim 6 depends from Claim 3 and further comprises a ticket chopper. The chopper destroys the tickets after they have been counted to prevent their re-redemption as taught in the specification. As used in the this application, the term chopper is used to mean a device for destroying the tickets.

**The Rejection of Claim 6**

The Office Action rejected Claim 6 by pointing out that Sato includes a cutting device. Further inspection of the Sato reference demonstrates the error of this rejection. First, the "chopper" of the present invention is a mechanism that destroys the ticket after it is counted. As such, the Office Action fails to explain why a printing machine such as Sato would include a mechanism for destroying the just-printed tickets. The Sato reference only discusses a cutting device to separate the tickets into strips, but does not "chop" the tickets or otherwise dispose of the tickets. The rejection of Claim 6 that Sato teaches a ticket chopper is inaccurate and should be withdrawn.

The rationale given by the Office Action for combining the references in the rejection of Claim 6 is misguided. The Office Action claims that incorporating the cutting device of Sato into the Pierce device would have been obvious in order to make the system less expensive and without any waste of paper by utilizing only the amount necessary to print the information and barcode. There is no evidence that incorporating the Sato teachings into the Pierce device as suggested by the Office Action would result in a cheaper system, and it is contradictory to suggest that adding components such as a chopping mechanism would result in a cheaper system than if no device was

incorporated. Further, the Pierce device uses pre-printed forms connected together, so there is no “extra” paper that needs to be discarded as proposed by the Office Action. Moreover, the evidence provided by the Office Action does not come from the cited references or the prior art, but rather is merely “subjective belief and unknown authority.” Such basis for combining references has been criticized by the Federal Circuit as wholly failing to meet the minimum requirements of a *prima facie* case of obviousness. *In re Lee*, 277 F.3d 1338 (Fed. Cir. 2002). To meet the requirements for providing a teaching or motivation to combine references that does not implicate or rely on hindsight, the Federal Circuit has mandated that the teaching or suggestion to motivate come from the prior art and be identified with *specificity*. *Id.* The absence of such specificity is fatal to the present rejection.

### **Claim 7**

Claim 7 depends from Claim 3 and further includes a ticket count display. When the consumer redeems his tickets it is good to be able to communicate the tally for the confidence of the ticket redeeming consumer.

### **The Rejection of Claim 7**

Relying on the counter of the Sato device, the Office Action argues that incorporating a display into the Pierce device would be obvious in order to locate the number of tickets printed. However, as explained above the number of tickets printed has no relation with the present invention

which deals with tickets redeemed. The rationale for combining the references has no support in the teachings of either cited reference, and appears to be solely constructed with hindsight using the Applicant's disclosure to provide the proposed arrangement. The use of hindsight to re-create the Applicant's invention without any teaching or support in the prior art to combine the references illustrates the impropriety of the Office Action's rejection of Claim 7.

#### **Claim 4**

Claim 4 depends from Claim 3 and further requires that the signal analyzer be comprised of a controller that counts, analyzes and determines barcode similarity relative to a location code. The location code is a pattern stored in the controller memory that is used to determine if the pattern on a ticket is valid or not.

#### **The Rejection of Claim 4**

The Office Action recognized that its previous combination of Pierce and Sato did not teach the limitations of Claim 4, and sought to remedy the deficiencies by introducing the teachings of Berger, U.S. Patent No. 6,360,001. Berger is directed to a parcel sorting system where a barcode on a parcel label indicating the source of the parcel also is used to locate an alpha-numeric address using profiles of different sources. The Office Action argues that it would have been obvious to incorporate the system of Berger into the modified Pierce/Sato combination in order to "easily locate the form in such places as libraries, warehouses, etc." (Office Action, page 6). Applicant is unclear

why the location of the form in a library or warehouse has anything to do with the present claim. The location code is used to verify the validity of a read ticket. Moreover, it is entirely unclear where the Office Action arrived at its conclusion of the obviousness to combine the three disparate references, since there has been no identification in the prior art as to any motive relied upon by the Office Action. The bald claims of the Office Action, without support and apparently the result of subjective manipulation, cannot exclude hindsight as the origin of the motivation to combine since there is no evidence provided in the prior art for combining the references as suggested by the Office Action. Without the assurances that the rejection is not based on hindsight, the rejection must fail.

#### **Claim 8**

Claim 8 depends from Claim 3 and further comprises a receipt printer.

#### **The Rejection of Claim 8**

The Office Action rejected Claim 8 as being obvious over Pierce in view of Bertalan et al., U.S. Patent No. 6,155,731. Bertalan is directed to a printer such as those used at point of sale locations to print receipts. The Office Action proposed combining the Pierce device with Bertalan to show a ticket printer and a receipt printer. Yet there is nothing in either reference that suggests the Bertalan device could or should be incorporated into a barcode reader such as Pierce, and there is nothing in the Pierce reference that suggests the inclusion of a receipt printer. When there is no teaching or motivation to be found in the cited prior art references, it begs the question where the

examiner derived the motivation to combine if not from the Applicant's disclosure. Without any evidence supporting the proposed modification of the three references as suggested by the Office Action, the rejection of Claim 8 cannot be sustained.

### **Claim 9**

Claim 9 is directed to a ticket printing method wherein an opaque pattern is covered with a dark, non-opaque ink to prevent counterfeiting by photocopying.

### **The Rejection of Claim 9**

The Office Action rejected Claim 9 under Pierce and Sato in further view of Kuze, U.S. Patent No. 4,177,377. The Office Action concedes that the proposed combination of Pierce and Sato fail to establish the step of covering an opaque pattern on a ticket with a dark non-opaque ink. To overcome this shortcoming, the Office Action proposes adding the teachings of Kuze which is a patent directed to a sequence control system. The Office Action's reliance on Kuze is based on the following assessment of the Kuze patent: "Kuze discloses a sheet bearing lines printed with non-opaque ink." (Office Action, page 8). The statement in the Office Action amounts to nothing more than that non-opaque ink was in existence at the time of the invention. However, there is nothing in the Kuze reference to suggest the step of Claim 9 for which it is cited, and there is no teaching in the other cited references for using the non-opaque ink of Kuze in the manner proposed by the Office Action. The only asserted teaching of the combination comes from the Applicant's disclosure, where

the Office Action states that the inclusion of Kuze would "catch and prevent counterfeit tickets." (Office Action, page 8). Since none of the cited references even mention counterfeit tickets, the only conclusion available to one examining the record is that the Office Action merely used the teachings of the Applicant to combine the references using the Applicant's claims as a template. This cannot form the basis of a valid obviousness rejection, and the rejection of Claim 9 based on this rationale without any support of record in the prior art cannot be sustained.

Claim 10 depends from Claim 9 and further requires that both the opaque pattern and the dark non-opaque ink be applied to both sides of the ticket. The rejection of Claim 10 required yet another reference (Noy et al., U.S. Patent No. 5,730,533), but lacks any semblance of motivation for combining the four references in a manner that does not rely on hindsight. Furthermore, the combination is asserted to be mere duplication of elements. However, printing on the front and back is different from printing twice, and has inherent advantages that are discussed in the application that is a separate simple duplication of a single side printing. To wit, the printing on both sides eliminates the requirement that the ticket be oriented by the consumer prior to insertion in the ticket counter - an advantage that is not characteristic of a single side printed ticket. As such, the dismissal of the claimed step as mere duplication is incorrect, and the cited reference to remedy the deficiency fails for the same reasons as those discussed above with respect to Claim 9.

The Office Action never addresses Claim 11, which depends from Claim 9 and is allowable for the reasons discussed with respect to Claim 9. The claim also recites a feature whereby the non-opaque ink is applied on both sides of the ticket whereas the opaque pattern is applied to only one

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side. For the reasons discussed in the specification, this serves as an anti-counterfeit measure that conserves ink and simplifies the printing process, and this method is not found nor suggested in the prior art.



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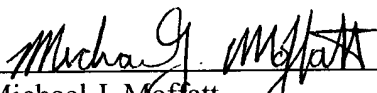
**CONCLUSION**

The claims as amended are submitted to be in condition for allowance. If the examiner does not agree, the Applicant respectfully requests that the amendments be entered to place the claims in better condition for appeal. If the examiner believes that a telephone conference can further the prosecution of this application, the examiner is invited to contact the undersigned at the number below. Attached hereto is a marked-up version of the changes made to the specification and the claims by the present amendment. The attached page is captioned "**Version With Marking To Show Changes Made.**"

If any additional fees are required, please charge our Deposit Account No. 21-0800.

Respectfully submitted,

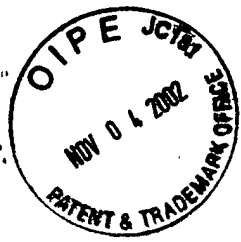
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VERSION WITH MARKINGS TO SHOW CHANGES MADE

Oath and Declaration

Attached please find a substitute Declaration.

Please amend Claim 3 and the Abstract as follows:

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1. (Amended) An apparatus for counting tickets comprising:
  - a housing;
  - a transport device coupled to the housing capable of guiding at least one ticket into the housing and tickets are printed with a pattern;
  - a light source positioned on a first side of the ticket;
  - a detector positioned on the second side of the ticket; and
  - a signal analyzer coupled to the detector to analyze [the] a signal provided by the detector.

Abstract of Disclosure

(Amended) A method to count tickets [is provided that] which includes [providing] a translucent ticket with an opaque pattern with translucent portions, [providing] including a light source on the first side of the ticket [, providing] and a detector on a second side of the ticket, and providing relative motion between the ticket and the detector. The pattern and translucent portions are detected with the detector.